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The Socialist Alternative

The 2008 economic crisis and trade depression did not produce many socialists but it did forcibly bring back into circulation the use of the word “*capitalism*” and a renewed interest in the writings of Karl Marx.

Why should we consider the importance in the use of the word “*capitalism*” again? After all, isn’t capitalism just as misunderstood as the word “*socialism*”?

True, most people do not understand what capitalism means any more than they understand what socialism means.

Contrary to common misconceptions, capitalism is not defined by the actions of greedy bankers, bullying employers and something that mysteriously takes place in the Square Mile where, as if by magic, money breeds money.

Likewise, the definition of socialism has nothing to do with the Labour Party, nationalisation, the former Soviet Union or the interference of the state in the economy through the imposition of regulations and taxation.

Capitalism is a social system based on class ownership of the means of production and distribution in which wealth is produced by propertyless wage workers, to be sold on the market for a profit.

Socialism, on the other hand will be the use of the means of production and distribution, democratically held in common by free men and women, to directly meet human need.

Nevertheless, the contemporary use of the word capitalism by journalists and politicians is a consequence of recent economic events forcing defenders of the profit system onto the back foot.

Economists and politicians would rather be talking about “*the enterprise culture*”, “*the open society*”, “*the free West*” and other meaningless phrases they use to describe class exploitation. Instead they are forced to talk about and defend what they misleadingly take as a definition for capitalism.

The FINANCIALTIMES, for example launched a “*capitalism in crisis*” series of articles in January 2012 with contributions from their pool of leading academic economists and financial journalists.

The newspaper said that it would be:

...examining the future of capitalism through agenda-setting articles and commentary that will run in the newspaper and online over the next two weeks (<http://aboutus.ft.com/2012/01/09/financial-times-launches-capitalism-in-crisis-series>)

The subsequent articles were weak and superficial. They set no agenda. And they were clearly written by hired gunslingers and prize fighters.

Some of the contributors predictably claimed Marx was out-of-date while others thought that we no longer lived in a capitalist system. None attempted to look at the structural defects of capitalism, its contradictions, anarchy of production and the economic laws acting upon commodity production and exchange for profit. None appeared to have read CAPITAL

One contributor to the series thought it was significant that Marx had never used the word “*capitalism*” in his writings. Factually correct; if though from a pedantic and trivial academic perspective of scoring cheap debating points.

In fact, Marx and Engels referred in The COMMUNIST MANIFESTO, as far back as 1848, to the capitalist as the private owner of capital. Elsewhere, they also used the phrase “*the capitalistic system*”. And, Marx referred to “*the capitalist mode of production*” in the very first line of Capital, VOLUME ONE! The FINANCIAL TIMES journalist, like another “*super rock star*” economist, Tomas Piketty, did just not make it beyond the chapter heading of CAPITAL. At least the former Prime Minister, the very late Harold Wilson, got to the bottom of the page before giving up.

Although the journalists at the FINANCIAL TIMES really only understood the profit system in terms of banking, finance and the stock-market, it was the first time in living memory that the newspaper had seriously contemplated the future of capitalism. Up until 2008 capitalism was supposed to be everywhere triumphant.

And not to be outdone The GUARDIAN recently hosted a conference in London under the heading: “*Has Capitalism had its day*”, presented by the economist and Channel 4 journalist, Paul Mason (see his book POST-CAPITALISM A GUIDE TO OUR FUTURE, 2015 for his poverty of thought and lack of imagination in conceiving a post-capitalist social system no different from the one he wants to replace).

The conference debated the likelihood of a “*seismic economic shift*” created by the recent economic crisis and rapid rise of new technologies. The “*renowned journalists and thinkers*” invited to give their thoughts on capitalism and the free markets were a predictable disappointment; reform of capitalism not its abolition. Yet the question posed by the GUARDIAN “*Has capitalism had its day*” is important and it is important that the GUARDIAN has been forced to ask it.

Unlike the FINANCIAL TIMES, The GUARDIAN and other media outlets, socialists not only understand what capitalism means as a social system but can give the profit system a precise definition.

The Socialist Party of Great Britain, for example, gave a succinct definition of capitalism in the first clause of the 1904 DECLARATION OF PRINCIPLES. The clause states:

That society as at present constituted is based upon the ownership of the means of living (i.e.). land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced

Defining capitalism as a social system is important. As a social system we think of capitalism historically. And someone or something that has a history, whether it is a human being or a social system, has a beginning, an existence through time and an end.

Like a human being, no social system lasts forever. Looking at society in such a revolutionary and radical way allows us to consider social systems prior to capitalism like feudalism, chattel slavery and primitive communism. And it also allows us to consider a potential and practical social system based on the common ownership and democratic control of the means of production and distribution by all of society.

By concentrating on capitalism rather than “*markets*” or “*entrepreneurs*” we focus not only on transient social

systems but also on alternative social arrangements around the production and distribution of goods and services. Workers design, produce, transport and distribute everything in capitalism so why could they not do so in a socialist society?

Capitalism is a system of production and exchange for profit and the drive to accumulate capital. Marx called it the “*self-expansion of capital*”. Marx also pointed out that it not only retracts the forces of production, including social and co-operative labour, but it is, like previous social systems, transitory. We can therefore conceive, as a practical proposition, an alternative social system where production and distribution takes place just for social use. Or, to put it another way, we can conceive of a social system in which free and voluntary social labour produces goods and services directly to meet human need.

...rich men receive all they have from the labourer's hand, and what they give, they give away other men's labours not their own...

Gerald Winstanley, Digger, LAW OF FREEDOM, 1652

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The Tyranny Of Capitalism

Is there an alternative to capitalism? From Margaret Thatcher to Tony Blair and their successors we have been told in no uncertain terms that there is no alternative to the market; to buying and selling and to the wages system.

Is it true? Is there no alternative to capitalism? Of course there is, unless, that is, you happen to be a rabid free market anarchist with your mind polluted by Austrian school economics to be found at the Mises web site somewhere in cyberspace..

The dogma which states “*there is no alternative*” (TINA) loses its force when capitalism is considered historically. Capitalism has an origin, a historical existence and a potential death in class struggle between the capitalist class who monopolise the means of production and distribution as private property and the excluded working class majority. There is a revolutionary alternative (TIARA).

Marx warned the capitalist class in the COMMUNIST MANIFESTO against believing they had everlasting life:

The selfish misconception that induces you to transform into eternal laws of nature and reason, the social forms springing from your present mode of production and forms of property – historical relations that rise and disappear in the progress of production – this misconception you share with every ruling class that has proceeded you (Communist Manifesto. Penguin Books, 2002 p. 239)

The quotation is taken from The COMMUNIST MANIFESTO whose Penguin edition is in the top ten of the paperback books section of the SUNDAY TIMES much to the distress of the newspaper proprietor and the editor.

Why do Marx and his writings inspire so much fear among the capitalist class and its paid supporters? If there is no alternative to capitalism why are people still reading the COMMUNIST MANIFESTO? If capitalism is all there is; a historical full-stop, why the continued dissent, the questioning and the looking for an answer to how we should and could live beyond the market, beyond buying and selling and beyond the wages system?

The reason for wanting an alternative to capitalism cannot be explained by idle dreaming of starry-eyed idealists. Socialists are not utopians. Seemingly intractable social problems such as poverty, war, social alienation and environmental pollution call for a revolutionary solution which social reforms cannot deliver. For 200 years the statute books have been filled with social reforms enacted to eradicate entrenched social problems facing the working class but they have been merely futile and a failure.

And why is Marx still so popular when we were told that the collapse of the Soviet Union ended his revolutionary

ideas for good? Marx did understand capitalism only too well and many of the predictions he made in the mid-19th century have become reality, notably an integrated world capitalist system with all its misery and pain.

The oft-repeated phrase “*There is no alternative*” (TINA) is nothing more than a reactionary and conservative doctrine of the political idiot. Such a statement can be considered as the lowest form of thought and the highest form of ignorance, one shared by politicians and journalists across the capitalist political spectrum.

In ancient Athens an “*idiot*” was someone who pursued private and self-centred interests to the exclusion of the social well-being of society. Just about sums up those who are in the pay of Lord Rothermere, the Barclay Brothers, Rupert Murdoch and the Russian Oligarch, Alexander Lebedev.

“*There is a revolutionary alternative*” (TIARA) is a practical pointer to a social system of free men and women and inclusive, a real “*open society*” in which the foundational principle would be “*from each according to ability: to each according to need*”.

Unlike capitalism, socialism will allow free men and women to take an active role in the democratic affairs of society rather than people being led by political leaders; socialism will be a free association of humanity living together in co-operative harmony.

The class struggle might be an ugly phrase but it is a constant feature of a capitalist social system scarred by the intensity and extent of exploitation. The capitalist class are not the wealth creators. In its strict sense social wealth is produced by the working class although nature is also a source of wealth. However, under capitalism workers not only produce social wealth but value. And workers produce more value than they receive in wages and salaries.

What Marx called “*surplus value*” is the source of the capitalist’s profit. And around the extraction of surplus value from the working class by the capitalist class, the class struggle rotates and spirals out into history. Not just an economic struggle. Marx also stressed that the class struggle is a political struggle; a struggle over the ownership of the means of production and distribution.

The political class struggle is an important engagement between two hostile classes with diametrically opposite interests. On the one side there is the capitalist class who monopolise and own the means of production and distribution and on the other the working class who are forced to sell their labour power as a commodity in exchange for a wage or salary.

And this political struggle introduces into the equation the machinery of government and what Marx called “*The executive of the bourgeoisie*”. Capitalists can only exploit workers because the machinery of government, including the armed forces, protects the private ownership of the means of production and distribution.

What about the charge of “*historicism*” – the belief that history has a preordained pattern - which is often levelled at Marx by the likes of the late Professor Karl Popper (*The Open Society and its Enemies and Historicism*)? Popper stated that historicism was the view that there existed “*inexorable laws of historical destiny*” Did Marx view history as having a purpose or a preordained pattern?

History, as Marx stressed in THE HOLY FAMILY, does nothing. There is no fatalism or determinism involved in the struggle by workers to establish a socialist society. Socialism is made by hard work. History is made. Human history is changed by men and women not by fate and external forces. There is no key to history. We cannot just sit around and wait for socialism to arrive.

Marx did not put forward a pattern-like law of historical development. This has been shown in a paper “*Marx, Popper and historicism*” by the late philosopher W.A. Suchting. He pointed out that:

In the manuscript on the basis of which the Contribution was written, Marx explicitly considers the possibility that the ancient mode of production might have led to some mode of production other than feudalism.

Suchting went on to say:

In another place he (Marx) notes that in India English colonization brings about a transition directly from communal ('Asiatic') organization to capitalism. In the draft of a letter written in 1881 on a similar topic, Marx writes that it is not inevitable that the agricultural community (in Russia), 'as the last phase of the primitive formation of society . . . based on private property', should pass over into a society based on private property. 'The dualism within' the agricultural community in Russia 'permits of an alternative: either the property element in it will overcome the collective element, or the other way round. Everything depends on the historical environment in which it occurs'.

And he concluded:

Finally, there is a letter of 1877 criticizing an article on him (Marx) by a Russian author who wished to argue that Russia could pass straight from the village community (mir) type of social structure to some form of socialism, thus by-passing capitalism. Marx wrote here that the chapter on primitive accumulation in the first volume of CAPITAL 'does not pretend to do more than trace the path by which, in Western Europe, the capitalist order of economy emerged from the womb of the feudal order of economy.

As an aside, Suchting gave an example of the “scholarly rigour” of Professor Popper’s hatchet-job on Marx:

..., it may be worth pointing out that the idea that Marx asserted a law concerning the inevitable pattern of historical development is given some spurious backing by a misquotation. Popper cites Marx as writing that the basic aim of Capital is 'to lay bare the economic law of motion of human society'. But Marx's text reads 'modern' for 'human' (Marx, Popper and Historicism, W. A. Suchting, Inquiry, An Interdisciplinary Journal of Philosophy <http://dx.doi.org/10.1080/00201747208601662>)

In fact, it is the supporters of capitalism who believe history has a purpose. One-time bureaucrat now Professor of Politics, Francis Fukuyama, in a crude Hegelian style, triumphantly asserted history ended in 1989 with the collapse of the Berlin Wall.

Fukuyama said the triumph of liberal democracy and market capitalism left the economic and political system of the US capitalism standing alone with no practical alternative. He concluded that men and women would live out their life as bored epicurean consumers in “*the best of all possible worlds*” ... forever (*The End of History*, 1992).

We should not be surprised at this dogmatic arrogance. Not only has US capitalism got God on its side but, apparently, history too!

Socialism is not determined in the sense that our critics use the word. However, socialism is not guaranteed and the only inevitability facing human beings is death. There are no magic buttons to press; there are no quick routes but instead hard and repetitive work. Human beings make history and to establish socialism requires the conscious and political action of a socialist majority. This was stressed by Engels in the introduction to Marx’s *THE CLASS STRUGGLES IN FRANCE*:

The time of surprise attacks, of revolutions carried through by small conscious minorities at the head of unconscious masses, is past. Where it is a question of a complete transformation of the social organization, the masses themselves must also be in it, must themselves already have grasped what is at stake, what they are going in for [with body and soul]. The history of the last fifty years has taught us that. But in order that the masses may understand what is to be done, long, persistent work is required, and it is just this work which we are now pursuing, and with a success which drives the enemy to despair [\[https://www.marxists.org/archive/marx/works/1850/class-struggles-france/intro.htm\]](https://www.marxists.org/archive/marx/works/1850/class-struggles-france/intro.htm)

Incidentally, Lenin thought it would take workers 500 years to understand socialism (John Reed *TEN DAYS THAT SHOOK THE WORLD*, Modern Library ed. 1916 p.15). Lenin might well be wrong and socialism will be established sooner against all his arrogant and elitist expectations that the working class could never arise above trade union consciousness.

The establishment of socialism, though, is for the working class to decide not political leaders. Socialism cannot be

imposed upon the working class. As Marx and Engels wrote:

The proletarian movement is the self-conscious, independent movement of the immense majority, in the interest of the immense majority (COMMUNIST MANIFESTO p. 71)

Socialists though, are more optimistic than Lenin about the ability of workers to think and act in their own class interest and become socialists without leaders; benign or otherwise. Our glass of champagne is always half-full preferably from a chilled bottle of Bollinger Vieilles Vignes, at a cost of \$132,000 a case; no less. Only the very best is good enough for the working class.

And we owe to Marx a special debt of gratitude for providing a historical and materialist framework in which to explain the reason for the class struggle and the necessity for the working class, and the working class alone to establish socialism through a principled socialist party. Marx's genius was to locate the working class in human history as a revolutionary force of social change; a force which would free the exploited from the tyranny of capital and a social force necessary to free the forces of production from the restricted and anti-social capitalist relations of production.

In our day-to-day struggle to pay bills, to bring up children and survive from one week, month and year to the next, socialism appears to be as far away as it was in Marx's day. The daily grind of existence grinds down the time available for political commitment. It is easier to leave politics to the politician and moan when it all goes wrong; as it must.

This resignation and belief that nothing fundamental can change makes for a corrosive pessimism; a lack of imagination and a loss of nerve. Capitalism can never be made to work in the interest of workers any more than social reforms can resolve poverty, war and economic crises. Capitalism will not and cannot leave the working class alone; capitalism needs fresh surplus value like a vampire needs blood to live. And although capital needs labour in order to live from one circuit of commodity production to the next, the truth about capitalism is that the working class does not need capitalism.

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Academic Economics: When Surface is Depth

For economists surface is depth. What economists write or say about economic crises is as useful in the understanding of capitalism as theology is for the advancement of the natural sciences. One economist even described his profession as nothing more than "*a real load of crap*" – a sentiment shared by Marx (see, for example, his letter to Engels 2nd April 1851).

This insightful observation of economics was made by Professor John Weeks in his book *ECONOMICS OF THE 1%: HOW MAINSTREAM ECONOMICS SERVES THE RICH, OBSCURES REALITY AND DISTORTS POLICY* (p.5, 2015). Economists, for Professor Weeks, understand almost nothing and obscure almost everything.

Another criticism of mainstream economics' disregard for the real world is from the economist, Professor Michael Hudson who recently wrote:

Such disdain for empirical verification is not found in the physical sciences. Its popularity in the social sciences is sponsored by vested interests. There is always self-interest behind methodological madness. That is because [professional] success requires heavy subsidies from special interests who benefit from an erroneous, misleading or deceptive economic logic. Why promote unrealistic abstractions, after all, if not to distract attention from reforms aimed at creating rules that oblige people actually to earn their income rather than simply extracting it from the rest of the economy?" [<http://michael-hudson.com/2009/12/krugmans-attack-on-my-review-of-samuelson/>].

The obscurity of reality and distortion of policy is borne out in the relationship between economists and politicians.

Economists, for example, see the economy descending into periodic chaos as a result of human error not the workings of a capitalist economy. And this is the advice economists give to politicians. Capitalism remains unquestioned and unknown.

Such was the conclusion reached in January 2011 by The US Financial Crisis Inquiry Commission which blamed politicians and bankers for the crisis in 2008. Two dissenting Republican Senators on the committee went even further by blaming former President, Bill Clinton for forcing mortgage lending onto workers who had not the ability to pay back the loans.

Nothing was said about capitalism. Capitalism was off limits and could not even be questioned; a holy cow totally immune from censure and criticism.

The Financial Crisis Inquiry Commission came to its erroneous conclusion on the cause of crises because the inquiry took place on the advice given to them by professors of economics. What of their credentials?

Marx acknowledged the positive contribution made to the development of political economy by classical economists like Adam Smith and David Ricardo. However, he referred to later economists as “vulgar” and “apologetic”. “Hired prize-fighters” he called them.

Marx’s explanation for the degeneration of the science of political economy into a mere apologetics was the fear by the capitalist class of an economically and politically organised working class:

It was thenceforth no longer a question whether this or that theorem was true, but whether it was useful to capital or harmful, expedient or inexpedient, in accordance with political regulations or contrary to them. In place of disinterested inquirers there stepped hired prize-fighters; in place of genuine scientific research, the bad conscience and evil intent of apologetic” (K. Marx Capital Vol. I Preface to the Second Ed. Penguin 1996 p. 87).

Marx went on to refer to “vulgar economics” as “the graveyard of political economy”.

During the Enlightenment the French *philosophes* such as Diderot and D’Alembert satirised the Catholic clergy in their general assault on Feudalism and the Divine Right of Kings. Today it is the economists who play the role of clerics, priests, bishops, cardinals and popes. Capitalism’s apologists and prize-fighters deserve the satire, the belittlement and the contempt of the working class for defending capitalism through the teaching of an economic mysticism that justifies class exploitation and the wages system.

The fact that vulgar economics (now known as neo-classical economics) is still taught in the economics departments of the world gives rise to the false impression that academic economics is alive and well. It is not. What exists, as one wit put it, is a “Zombie economics”. Imagine the horror of coming across economic zombies stalking economics departments and university lecture halls feeding off the minds of the impressionable young like so many extras from *Night of the Walking Dead*. It makes your blood run cold.

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Was Marx Wrong On Capitalism?

Why are economists and the politicians they advise all at sea when giving a coherent explanation for periodic economic crises and trade depressions? The answer is simple. Capitalist economics only reflects, in a superficial and distorted way, the appearance of capitalist production and exchange. The error economists make is to begin with abstract buyers and sellers on the market and then construct a general theory of utility from this market relationship.

As a result, economists only give an account of the effects of an economic crisis; financial turmoil, problems with credit and investment, bankruptcies, rising unemployment and social problems associated with the economy like the class struggle. The blame is either placed on greedy bankers, lazy workers, incompetent politicians or other

economists. It is always the fault of individuals never the system itself. In any event, economists just do not have the theoretical tools necessary to give a systematic account of the underlying cause of crises and economic depressions.

Take as an example the article “*Why Marx was wrong on capitalism*” written by Dr Masden Pirie, President of the Adam Smith Institute and supporter of the “*free market*”. (<http://www.adamsmith.org/research/think-pieces/why-marx-was-wrong-about-capitalism/>).

His article is a typical of an economist obviously worried about the increasing interest in the ideas of Karl Marx after the economic crisis of 2008. However, Dr. Pirie’s confusion about capitalism only matches his own ignorance of what Marx actually wrote on political economy.

It seems that the only mainstream academic economists to have read seriously Marx’s three volumes of CAPITAL are the late 19th century Austrian economist, Professor Eugene Bohm-Bawerk (*Karl Marx and the Close of his System, 1898*) and his student Joseph Schumpeter (*Capitalism, Socialism and Democracy, 1954*)! Keynes apparently never read CAPITAL and, by his own admission, neither has the super-star economist Thomas Piketty.

Neither, it seems, has Dr Pirie.

Dr. Pirie, for example, states, without any evidence, that Marx believed that capitalism would collapse “*under the weight of its own contradictions*”. In fact, Marx never said any such thing. What Marx did say was: “*There are no permanent crises*” (THEORIES OF SURPLUS VALUE Vo II Part 2 p 269). Elsewhere, in WAGES, PRICE AND PROFIT, Marx drew attention to a cyclical economic pattern of “*quiescence, growing animation, prosperity, overtrade, crisis and stagnation, and up-turn*” (*Selected Works vol. 1, p. 440*).

Dr Pirie also rejects the Marxian labour theory of value. Incidentally, he rejects not only Marx’s labour theory of value but even Adam Smith’s own primitive and crude theory of value to be found in THE WEALTH OF NATIONS. The proof, though, is in the pudding. You can reject the recipe on any grounds you like but if the food is worth eating when it comes out of the oven surely that is what counts. And Marx’s theory explains so much more about the workings of capitalism than do his economic rivals, like Dr Pirie.

The Labour Theory of Value

Why, then, is the labour theory of value so important? Simply put; under capitalism where labour power is a commodity with a use value and an exchange value, labour is the basis of value. The value of a commodity is determined by the amount of socially necessary labour contained in the commodity, or to put it another way, by the socially necessary labour-time spent in producing the commodity from beginning to end.

Marx apparently never used the expression “*the labour theory of value*”. He described his approach to the study of capitalism as his “*method*”. Marx used a method of abstraction moving from the simple to the complex; a necessary approach he remarked:

...to examine the capitalist mode of production and the relations of production and forms of intercourse that correspond to it (Capital, Volume 1, Preface to the first edition, P.90)

Marx’s scientific method of abstraction is rejected by Dr. Pirie for the shallow theory of economic utility; of supply and demand curves and prices.

The subjective value theory sets out to show, against Marx, that there are no objective standards of value. The price of a commodity arises from the subjective attitudes towards the commodity of the seller and the buyer; what the seller is willing to sell and the buyer is willing to buy. Supply and demand, markets and the price mechanism is all that counts.

Marx never critically engaged with the subjective school of economics; he was too preoccupied with other issues and was, of course, very ill. Engels also avoided the debates at the time between the Socialist Democratic Federation on

the one hand (see H.M. Hyndman's lecture *The Final Futility of Final Utility*, 1896) and the Fabians on the other (a comment by G.B. Shaw on Wicksteed's *A Jevonian Critique of Marx*, 1886), merely dismissing the economic reaction to Marx's Capital as "*vulgar economy everywhere*" (MECW, vol. 48, p. 136).

Nevertheless, Marx and Engels would not have been at all surprised to learn that later, at the turn of the 20th century, an entire but superficial theory of economics would be created as a reaction to CAPITAL. It was quite an honour for someone of Marx's intellectual stature. Marx, as Engels had acknowledged at Marx's graveside, had been despised and detested by his political opponents, throughout his adult life.

Marx still is the archetypal boggy-man of reactionary conservatism; whether from the Labour Party (Professor Giddens *A Contemporary Critique of Historical Materialism*) or the Tory Party (Hayek; *The Conceit of Socialism*) and the dozens of free market economists in think tanks like The Adam Smith Institute, that circle, like sharks, around the Houses of Parliament and Whitehall.

Of course it is easy to create a contrarian theory to Marx's labour theory of value. However, in doing so, proponents of the subjective value theory are forced to reject class, class interest and class struggle. They have to reject capitalism as a transient historical social system and; they have to reject the fact that the labour of human beings, working with tools on natural materials create social wealth and have done so for tens of thousands of years. And they end up as nothing more than superficial apologists; by treating, for example, Trade Unions as a monopoly while saying nothing about the capitalist class's monopoly ownership of the means of production and distribution. In short, they can produce a theory but it is a theory that tells you nothing about capitalism.

Professor Jevons, for example, one of the founders of the Utility School, was extremely hostile towards the trade unions which he made clear in his university text book "*A Primer on Political Economy*" (1878). The text book was used at the University College, London for economic undergraduates at the turn of the 20th century and would have clouded their view of trade unions, why they exist and why they have to struggle for higher wages and better working conditions.

No alternative primer on economics from a Marxian perspective was ever offered to students.

Jevons, it should be noted, could not admit that trade crises were a result of economic laws and contradictions acting on commodity production and exchange for profit. His excuse was that crises occurred due to changes in sun spots affecting harvests causing price irregularities.

Yet the rejection of key Marxian concepts necessary for an understanding of capitalism has no justification except to politically prevent a labour theory of value from being disseminated, particular in the schools, trade unions and the universities. If you want to see the monument to anti-Marxian economics you only need to visit the London School of Economics.

The LSE was founded by the Fabians as a reaction to the labour theory of value and is now a global free market educational conveyor belt producing economic graduates by the Pound. These graduates (with a few notable exceptions), understand capitalism as little as the professors who teach them. As our late comrade Hardy once remarked; all science can show progress since the 19th century, all that is, except economics which has gone backwards.

Marx and the Commodity

Marx, though, did understand capitalism.

Marx opens up the first chapter of CAPITAL with this statement:

The wealth of societies in which the capitalist mode of production prevails appears as an "immense collection of commodities"; the individual commodity appears as its elementary form. Our investigation therefore begins with the analysis of the commodity (p.127)

The importance of this opening passage has often been overlooked. Marx's theory of history; his materialist conception of history informs the reader that he is dealing with "*the capitalist mode of production*"; that is, with a social system located within history.

Moreover capitalism "*appears*" as an immense collection of commodities (it should be remembered that for Marx appearance and reality are not the same thing), so we must investigate this appearance to understand the underlying reality. And to do so we must first begin with the commodity.

Given that the assumptions Marx starts with are reasonable, and for Marx the starting point of the critique of political economy or economics is the commodity, then there is nothing to prevent us moving from the commodity to money to the process of exchange to the transformation of money into capital to the production of absolute and relative surplus value, to wages, to the process of capital accumulation and its general law. And this is precisely the understanding of capitalism that a reading of CAPITAL gives someone capable of thinking for themselves.

Alternatively, if you start from fictional individuals living harmoniously within a market harmony you end up with a fictional theory which tells you absolutely nothing about capitalism. For years economics advisers had been telling Gordon Brown there would be no more boom and bust. And he believed them. His political career is now in ruins.

Others have also joined in with the criticism of economists.

When the Queen, no student of Marx, opened the new £71 million building at the LSE a few years back, she demanded to know why economists had not anticipated the so-called "*credit crunch*" of 2008 when they were such clever men and women. But as the old adage goes about economists; you ask two economists a question and you get three answers.

In fact, a group of leading economists were forced to make a reply. In their reply to the Queen they said:

...the failure was to see how collectively this added up to a series of interconnected imbalances over which no single authority had jurisdiction...In summary, your majesty the failure to foresee the timing, extent and severity of the crisis and to head it off ... was principally a failure of the collective imagination of many bright people, both in this country and internationally, to understand the risks to the system as a whole (FINANCIALTIMES, July 26th 2009)

If you cannot understand what these economists are talking about then think of what the poor Queen made of this dismal prose, or not so poor, because she came out of the economic crisis with her vast fortune largely intact. Unlike, that is, the workers at Lehman Brothers and the working class elsewhere who lost their jobs and found themselves having to sign on at the dole and forced to take pay cuts. There is no austerity at Buckingham Palace.

Pirie's poor understanding of capitalism, shared by his economic colleagues, stems from the rejection of the profit system as a historically formed social system with an origin and potential termination in the class struggle. It leaves him, therefore, unqualified to consider the merits or otherwise of Marx's account of capitalism.

All Pirie can do is construct a straw Marx behind which to hide his own naked economic inadequacies and deficiencies. Where, for example, is Pire's account of economic crises and trade depressions? There is none. Pirie is just one of a long line of apologists going back to Marx's day for which an understanding of the profit system is a closed book.

Marx's own understanding of Capitalism and Crises

So how did Marx approach crises? Crises formed part of the outcome his critique of political economy and his study of what he called in the Preface to CAPITAL: "*capital in motion*".

Marx's CAPITAL can be usefully considered as three movements with THEORIES OF SURPLUS VALUE as a well-deserved encore. In the opening introduction of the third volume of CAPITAL (published by Engels after his

death), Marx said the first movement was an investigation into “*the process of capitalist production*”, the second movement “*the process of circulation*” and the third “*the process of capital’s movement as a whole*” (CAPITAL VOLUME 111, Chapter 1, Cost Price and Profit, p. 117).

Marx started his investigation of capitalism in the first volume of Capital with the analysis of the commodity (chapter 1, The Commodity p. 125). He showed that there was a contradiction between use-value and value, between the commodity and money, and between purchase and sale.

Take as an example the commodity. A commodity has both a use value and exchange value (the form of value). These two economic categories can only be confirmed as a unity by being sold on the market for money. Commodity production is a private act of a particular capitalist but the commodities produced are for social use by other capitalists as well as capitalists and workers as consumers.

The individual capitalist has no knowledge of whether their commodities will be bought and if the capitalist cannot find a buyer his commodity loses its use value, no exchange can be made and the value behind the exchange value becomes worthless irrespective of the efficiency of labour power expended.

The contradictions within capitalism arise because capitalist production does not take place directly to meet human need. Capitalism, instead, is an anarchic form of production and exchange, which separates producers within markets in which the law of value prevails.

Even under simple commodity production there is the possibility of a crisis; a break in buying and selling of commodities where sellers cannot find buyers which, if prolonged, leads to stockpiles of unsold commodities, unemployed workers and bankrupt capitalists. “*Say’s Law*”, for example, which claimed every seller brings a buyer to the market, does not hold. Commenting on the fallacy of the so-called Law, Marx said:

“...if the split between the sale and the purchase becomes too pronounced, the intimate connection between them, their owners, asserts itself by producing – a crisis (Capital, Vol. I, p. 114 Moscow edition whose translation by Moore makes more sense than the Penguin one by Ben Fowkes)”

From analysing these three sets of economic categories; use value, exchange value and money, Marx went on to show that the cause of crises was located deep within commodity production and exchange for profit not on the surface of the economy.

Crises were not to be found in the expansion nor contraction of credit, or in the finance and banking sector, or in the creation of fictitious capital. These disruptions were the effects of the crises not the cause.

Marx next moved on to consider the more complex study of “*capital in motion*” which involved the movement from one capital to many capitals within the circuit of capital as a whole. He showed how the possibility of crisis set out right at the beginning of CAPITAL volume 1 now became a pressing necessity to temporarily resolve the contradictions within the process of the production and circulation of capital throughout the economy.

At the end of the second volume of CAPITAL, Marx illustrated the anarchic relationship between two sectors of the economy; one producing the means of production and one producing commodities for individual consumption. The process of proportionality within and between these two sectors became so complicated, unstable and dysfunctional that for Marx it offered:

...ever so many occasions for running abnormally (Capital Vol. II, Accumulation of Production on an Extended Scale, p.500 Penguin edition).

When Marx came to look at crises again in the third volume of CAPITAL, in the chapters on the tendency for the rate of profit to fall in the rate of profit, he concluded that the “*real barrier of capitalist production is capital itself*”.

In other words an economic crisis highlights, like the on-going class struggle between capital and labour, the fact that capitalist production is a barrier “*to the free development of the productive forces*” (THEORIES OF SURPLUS

VALUE, p. 528) something economists like Dr Pirie just do not want to acknowledge. Economists like to believe capitalism will last forever and commodity production and exchange for profit is the best of all possible worlds but it is just wishful thinking. The consequence of commodity production and exchange for profit is the periodic destruction of capital.

A “*destruction*” not in a “*creative*” sense as the Austrian economist Schumpeter thought where “*the business cycle*” cleared out the dead wood for capitalism to renew itself forever for the good of all society (he was terrified that Marx’s own understanding of the destructive nature of commodity production and exchange for profit leading to periodical crises was right and capitalism did have a limited life-span). Instead the destruction is wholly negative in that it temporarily increases the industrial reserve army of the unemployed and attacks the level of wages and salaries of the working class. In other words it creates misery, alienation and destitution for the millions of workers confronting the unpleasantness of the dole. The barrier to capital is in fact capital itself. As Marx wrote in an earlier work:

Only a general devaluation or destruction of capital, the destruction of productive forces, provides again the conditions for renewed accumulation (Grundrisse, p446).

Smith’s invisible hand, it turns out, is the hand of a destructive market anarchist. Periodic destruction of constant and variable capital is not a system politicians can sell. This makes the socialist alternative an attractive and practical proposition; production for social use by free and voluntary social labour in place of the anti-social objective of the profit system.

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Class Struggle In Portugal

When workers go abroad and meet other workers it does not take long to discover they have an identical class interest and are involved in the same class struggle with employers over wages and conditions of work.

This economic and political reality was bought home on a recent visit to the city of Oporto in Portugal.

After finding no reference to the 15th century slave trade in the old port district we crashed out in a cafe to drink some coffee and a glass of local brandy.

Coffee beans along with sugar were one of the many commodities Portuguese traders exchanged for slaves. In fact the Portuguese were the first European power to enter into the African slave trade as early capitalism put down its primitive roots.

Oporto also produced a strong brandy where three ‘*anchors*’ (a measured unit) of the drink would buy a young male slave. The slave markets in the City were a source of considerable enrichment to local merchants as well as providing domestic and commercial labour for the population (*A Social History of Black Slaves and Freedman in Portugal from 1442 to 1551*, A. Saunders, 1982 p. 53).

Oporto is now a UNESCO site of special historical significance but the heritage industry omits any reference to the slave trade which once gave the city its wealth and power. Portuguese slavery in Oporto has been conveniently erased from collective memory.

Today, chattel slavery in Oporto has been replaced by wage slavery. Slaves are no longer bought and sold in the Port’s slave markets (their geographical positions are now unknown) although migrant workers from Africa now pay smugglers to get into countries like Portugal as “*free labour*” working in the construction industry and as domestic labour. Primitive capital may have come into existence “*dripping from head to foot, from every pore, with blood and dirt*” but modern capital has transformed the world into a global market of buying and selling commodities, including labour power.

What is bought by employers or capitalists is the labour power (the ability to work) of the working class in exchange for a wage and salary. The waiters in the café, the tour guides, the fishermen, most if not all the tourists found along the quayside cafes are all members of the working class.

The working class creates more social wealth than workers receive in wages and salaries. Marx called the surplus social wealth workers generated in the productive process “*surplus value*”. This surplus value or surplus unpaid labour time is the source of the unearned income stream of rent, interest and profit flowing into the capitalist class.

While we were waiting for our coffees and brandy, in the distance we could see a group of demonstrators coming nearer and nearer waving banners and blowing horns; a demonstration making a great deal of noise to bring attention to themselves.

Within about 5 minutes about 50 demonstrators, mainly women came up to our table. They asked if we would like a leaflet printed in English. They were members of the CGTP union working within the hotel, restaurant and services sector striking for more pay against the employers' association APHORT who had refused to negotiate salary increases and improved conditions of work. The union had proposed a 3 percent wage increase of at least 30 euros in an industry where wages are generally low and hours long.

Portugal is still in an economic depression where there is high unemployment. Thousands of young workers have left to find work in countries like Brazil, themselves now entering an economic slowdown. Many buildings in Oporto are derelict and in ruins.

And there it is; the same class problems and the same class struggle in Portugal that faces workers in the UK and elsewhere in the world. A working class faced with the same daily problem of struggling to earn a living. Yet a working class seemingly going no further politically than past generations of workers; still fighting the same battles over and over again.

So what support can Socialists give? Socialists are members of the working class; we are exploited in exactly the same way as other workers. Many socialists have been or are members of trade unions. However, socialists do understand capitalism. We also know that without socialists and a growing socialist movement, capitalism will continue to pass from one economic crisis to the next; from one war to the next; and from one strike for higher wages to the next.

Yes, it is important to act together in unions, to push for higher wages when trade conditions allow but the class struggle, as Marx noted, is a political struggle. The economic terrain is not in favour of workers. Periodic trade depressions and the economic and political power at the disposal of the capitalist class outweigh anything enjoyed by trade unions. Trade unions deal with the effects of the class struggle not the cause.

Workers are imprisoned in the wages system because they do not own the means of production and distribution. Employers are always trying to increase the intensity and extent of class exploitation. They use machinery to displace workers and competition between workers to bring wages down and they are forever trying to increase productivity with fewer workers. In the background the industrial reserve army of the unemployed also acts as a downward pressure on wages.

More importantly, the means of production and distribution, as private property, are protected by the machinery of government, including the armed forces. The leaflet we were given by the strikers mentioned the employers being supported by the state. Well, that is the function of the state in the class struggle, to support the capitalist class against the working class.

And workers still cling to the belief that they have a country. Some of the strikers carried Portuguese and Oporto emblems. Workers have no country. There is a world capitalist class facing a world working class over the control of the means of production and distribution.

To resolve this global conflict requires the formation of a class-conscious socialist political majority, a world-wide

socialist movement and the establishment of the common ownership and democratic control of the means of production and distribution by all of society.

Then, and only then, will strikes become unnecessary and irrelevant to a socialist society where production will take place directly and freely to meet human need. With the abolition of capitalism and the establishment of socialism, wage slavery will pass into history just as the African slave trade once did.

THE HUMAN COST OF WAR IN IRAQ & SYRIA

The U.S. government's new war in Iraq that now also includes Syria has already cost between \$780 and \$930 million, and could amount to over \$1 billion a month if U.S. efforts intensify on the scale demanded by Congress, according to a Centre for Strategic Budgetary Assessments analysis published this week. On an annual basis, CSBA estimates, the U.S. military's operation against the Islamic State in Iraq and Syria (or ISIS) could cost as much as \$22 billion dollars a year. What you are not told is how many non-combatants have been killed by US drone and air strikes. That is the cost of war the Obama administration is not interested in (taken from COUNTERPUNCH June 2015).

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Migrants and the Politics of Hate

The capitalist media and politicians constantly try to turn workers' attention away from questioning the wealth and privilege of the capitalist class towards vulnerable groups like migrants, the elderly, single mothers on sink estates, the disabled, unemployed youth and so on. Instead of workers understanding how the capitalist class amassed its unearned income through their monopoly of the private ownership of the means of production and distribution, they are encouraged to blame, attack and vilify members of their own class. The consequence is that working class solidarity is undermined and fractured into warring factions. Such is the current success of the politics of hate; a politics of "*divide and rule*".

No more so than the plight of migrants entering Britain. Migrants are erroneously blamed by many workers for poor or non-existent housing, over-crowding in schools and hospitals, low wages and high levels of unemployment. The real focus of attention leading to revolutionary socialist change should be the violent and poverty-ridden world in which we live; a world divided-up into competitive nation states fighting over raw resources, spheres of influence and trade routes.

Migration is just one of many consequences of war, the instability of nation states, the poverty of the world's working class and the priority in production and distribution of the profit motive and capital accumulation instead of meeting human need. In 2014 the UN declared 55 million people worldwide were driven from their homes by force (Guardian 19th June 2015). It is not the people forced to move across continents that is to blame but a social system of poverty, terror, violence and war that forces people to leave a particular region of the world for another.

Migration and Housing

At the centre of the politics of hate is the association of migration and migrants with a perceived "*threat*". The TIMES, for example, carried an uncritical report by the sinister sounding pressure group known as "*Migration Watch*" (one of its leading members is a confirmed eugenicist) which puts the blame for housing shortage on immigrants (*Huge Impact of Immigration on the Demand for Housing*, 29.4.2015). The journalist lazily reproduced statistics from Migration Watch's press release, as though the organisation is a detached academic research institute with no political axe to grind. These questionable statistics were, and then filtered into the prejudices of the newspaper readership to re-inforce political hate and unfounded blame of migrants for lack of housing. A similar uncritical transmission of anti-migrant sentiment makes the same journey from Migrant Watch into the DAILY and SUNDAY TELEGRAPH and DAILY MAIL and MAILON SUNDAY. Attention is conveniently moved away from capitalism as the cause of the current housing crisis to immigrants.

Yet there has been talk of a housing problem as far back as the 19th century. In 1872, Engels wrote a pamphlet on the housing crisis showing that this was just one of many social problems caused by capitalism. Engels concluded:

As long as the capitalist mode of production continues to exist, it is folly to hope for an isolated solution of the housing question or of any other social question affecting the fate of the workers. The solution lies in the abolition of the capitalist mode of production and the appropriation of all the means of life and labor by the working class itself (www.marxists.org).

And Engels's pamphlet was written when large sections of the working class were leaving Great Britain for the colonies like Australia and New Zealand. During the 1870s, almost 1.68 million people of British and Irish origin left the UK for destinations outside Europe, the number rising steeply to reach almost 2.59 million in the following decade, 1881-1890 (www.nzhistory.net.nz/files). Clearly at that time when there was a huge housing problem migration could not have caused the housing problem because large numbers of people and their families were leaving Britain.

The problem of adequate and decent housing under capitalism also highlights the failure of social reform. In 1945 the Labour government passed the New Towns Act to end the squalid condition of post war housing. What took the place of slums became slums themselves. In Glasgow, for example a quarter of the high rise flats built after 1945 have been demolished as unfit for human beings to live in. Workers are forced into either rented premises or mortgaged accommodation which merely reflects their class position within the rationing imposed by the wages system. Good, well-built housing which meets people's needs is just unprofitable to build under capitalism except for those who can afford to buy. The poverty faced by the working class has nothing to do with migrants.

Migrants have also been a topic at the recent General Election. CHANNEL 4 (30th April 2015) went to Margate to visit a street housing immigrants and non-immigrants; the houses were bleak, cramped and old but the non-immigrants were prepared to carry on living in such grim and unhealthy conditions so as long as the immigrants left. They had been seduced by the capitalist media into believing the problems they faced were all the fault of immigrants. Capitalism was not questioned by the sample of residents interviewed by Channel 4 nor why the capitalist class get the best housing. The consequence of this political ignorance is that the irrational prejudices held by one group of workers against other workers works against a clear understanding of capitalism.

In fact the problem of housing is only a problem because of capitalism's overriding priority of buying and selling for profit. No profit means no production even if houses are desperately needed. According to Shelter there is a cumulative shortfall of a million private sector houses (<http://england.shelter.org.uk>) because it is just not profitable to build them. However, given the common ownership and the democratic control of the means of production and distribution by all of society; that is the establishment of socialism, there is no reason why sufficient good quality housing cannot be built. The materials and transportation exists, so do the builders, architects and other construction workers. Migrants are not the cause of the so-called housing problem; capitalism is.

Another cruder example of encouraging hatred towards migrants was the article written by The SUN journalist Katie Hopkins under the heading: *"Rescue Boats: I'd use gunboats against the migrants"* (18.04.2015). Hopkins referred to migrants trying to cross the Mediterranean as a *"plague of feral humans"* and *"cockroaches"* who are *"spreading like norovirus"*. She then went on to say that *"some of our towns are festering sores, plagued by swarms of migrants and asylum seekers"*. Her solution was to suggest using the Royal Navy to *"threaten them with violence until they buggered off"*.

Hopkins's violent, spiteful and vile article was meant to create a general groundswell of hatred against the poor, the dispossessed and the weak, those who have been forced to leave countries often wracked by famine and war. Hopkins is not an internet troll who can be ignored but a well-paid journalist working for a major newspaper owned by Rupert Murdoch with a readership in the millions. Kate Hopkins is Murdoch's Orwellian daily two minutes of hate; nothing more than a little gas pellet of Zyclon B.

Migrants and Genocide

Workers should ignore the divisive politics of hatred. The social and economic problems facing the working class are caused by capitalism and not by other workers. Poor housing, lack of jobs, low wages, unpredictable and vulnerable lives are all consequences of the monopoly ownership of the means of production and distribution by the capitalist class. Migrants are workers too. Migrants are part of the working class cut off from other workers by the artificial contours of nation states. Workers, no matter where they live have identical class interests completely separate from and opposed to the interests of Rupert Murdoch and his class.

Was not Rupert Murdoch descended from migrants? It is doubtful that the Aborigines referred to his ancestors as “cockroaches” and a “plague”? We will never know because the Aborigines were forced out of their traditional homes, hunted down like wild animals, poisoned or shot, and forced to live in harsh and barren parts of the country. The effect of British settlement upon the aborigines led to their near extinction within 120 years (Professor Tatz, GENOCIDE IN AUSTRALIA 1998).

Another academic, Dr Gideon Polya has written:

In 1788 Australia was invaded and the Indigenous population dropped from about 1 million to 0.1 million over the next century through disempowerment, dispossession, deprivation, disease and massacre (the last massacres occurring in the 1920s). However in the 20th century, the Aboriginal Genocide largely continued due to egregious deprivation, “captive” labor (paid in flour, tea and sugar) and a racist policy of forced removal of children from their mothers (the so-called Stolen Generations). This shocking, large-scale, genocidal practice was only terminated in the 1970s (Countercurrents, 19th February 2008).

Such were the foundations of so-called primitive capital accumulation on which Murdoch’s class created their business empires in Australia. Unlike Mr Murdoch, today’s migrants can never escape poverty and the consequences of capitalism. When coming to Britain they are forced to find employment, usually menial and degrading jobs, forced into the wages system to generate profit and exploited in exactly the same way as workers already living here.

Class solidarity is the reply to organisations like Migration Watch and journalists like Kate Hopkins. Every migrant is a possible socialist as is any other worker imprisoned within the wages system.

Workers have identical class interests no matter where they live. And our class interest recognises that capitalism is the cause of our problems and needs to be abolished and replaced with socialism. Socialists do not see migrants and immigrants as a problem anymore than we see other groups singled-out for attack, derision and hate; single parent mothers, the unemployed, the elderly, the disabled and those forced to subsist on benefits. Instead the problems facing the working class flow from a world divided into competing capitalist nation states.

Against the petty nationalism of the anti-migrants with their fear of the other and its crude neo-Malthusism, socialists propose a society where there will be no artificial frontiers, where people will be free to travel all over the world unrestricted by border guards, and passport control. In socialism there will be no gun-boats, no barbed wire, no immigration officers, and no internment camps.

And as a response to the poison of nationalism we urge workers to become socialists. That is the real fear of the capitalist class who fund and support anti-migration pressure groups and pay Hopkins her thirty pieces of silver. Our class is better than the crude propaganda used to divide us. Class solidarity and a socialist movement increasing in numbers and strength: that is the only answer to the politics of hate.

THE JOY OF CAPITALISM ...IF YOU ARE RICH

The richest 1% of the world’s population is getting wealthier, owning more than 48% of global wealth.

Taken together, the bottom half of the global population own less than 1% of total wealth. In sharp contrast, the richest decile hold 87% of the world’s wealth, and the top percentile alone account for 48.2% of global assets (Credit Suisse Wealth Report October, 2014).

China now has more people in the top 10% of global wealth holders than any other country except for the US and

Japan, having moved into third place in the rankings by overtaking France, Germany, Italy and the United Kingdom.

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A Socialist Critique of Islam

Socialists view all religions, including Islam, as a barrier to the establishment of socialism. Religion represents a distorted and incorrect view of the world generated by the lack of control over material existence. In holding religious beliefs workers are prevented from having a clear understanding of the social problems caused by capitalism and the urgent need for the socialist alternative.

To begin to question religion in materialist terms is to begin to question and confront the social basis on which religious ideas and beliefs have historically developed.

The real problems of social existence have given rise to a distorted, fictional and up-side down account of the social problems facing the working class made more pernicious by being used as a means for social control by the ruling class and their priests and Imams.

A socialist critique of religion is an essential component of the class struggle between a world working class who do not own the means of production and distribution and a minority world capitalist class who do.

One of the first pamphlets produced by the Socialist Party of Great Britain was SOCIALISM AND RELIGION (1910) which gave a material analysis of religion as well as an account of the modern purpose of religion.

Not so with the capitalist left. The capitalist left has taken upon itself to defend Islam from the rational arguments of atheists, from cartoonists drawing images of the prophet Mohammed, from investigations into religious radicalisation of school children, from the imposition of creationism in place of evolutionary science and from the exposure of electoral malpractices in some local authorities.

The capitalist Left have also played down Marx's materialist criticism of religion when applied to Islam and have tried to prevent a socialist account of religion from being given a public space.

Every criticism of Islam, no matter how well founded is denounced by the capitalist left as "*islamophobic*" and every action of Muslims is defended even if it means a weasely apologetics for the repression of women, gender segregation, homophobia and acts of terrorism.

The accusation of "*Islamophobia*" is the trump card. To be smeared as an Islamophobe is apparently to lose all right to be taken seriously. You are supposed to be just politically less than the accusers.

Nevertheless any charge of "*islamophobia*" associated with the SPGB's criticism of Islam is baseless. Sticks and stones come to mind at those who hurl insults rather than use reason and shout down opponents rather than engage in debate.

No belief system is so privileged as to be off limits to socialist criticism and that includes Islam. As for the socialist case against religion and capitalism in particular we welcome criticism and debate. Socialists have nothing to either fear or hide.

The Capitalist Left and Islam

So why has the capitalist left championed Islam to the exclusion of all other religions? What is in it for the political parties like the SWP? To embrace radical Islam the SWP has resurrected texts by Lenin written in the early 1920's to justify Sharia Law and gain the support of Islamic groups within Russia (see the article written by Colin Crouch,

Bolsheviks and Islam, <http://isj.org.uk/the-bolsheviks-and-islam> in INTERNATIONALSOCIALISM, issue 110, 2006).

Marx and Engels writings on religion have also been twisted and distorted by SWP opportunists to give the false impression that they were agnostic on the question of religion and its relation to the class struggle. The leading SWP writer, John Molyneux wrote that:

Marxists (sic) reject the idea that any particular religion is inherently more reactionary, (or more progressive) than others. Clearly, at present, this applies principally to Islam, but in other circumstances it could be Hinduism, Confucianism etc. Our attitude to political movements with a religious coloration or religious leaders, such as the (Catholic) Hugo Chavez, or (Buddhist) Tibetan nationalism or Falun Gong in China or Islamic resistance in Iraq and Palestine, is based not on the movement's religious beliefs but on the material social forces it represents and the justice of its political cause <http://johnmolyneux.blogspot.co.uk/2007/03/marxism-and-religion.html>

And who legitimises whether the “cause” is legitimate or not? The anti-socialist leadership of the SWP, that's who. It is the leadership, and they alone, who decide whether a particular religious group represents a useful “material force” against the Imperialism of the US and its Western allies. Consequently, for the capitalist Left, the Catholic Church is disqualified in Britain but not in Venezuela; the Royal House of Saud is deemed to be politically flawed because it is an ally of the US but not the Kurds in Iraq or the Palestinians in the Occupied Territories. Such is the logic of the Trotskyists.

The journalist James Bloodworth noted that this tortuous train of thought has meant:

(there), has been an anti-war movement working enthusiastically with those advocating the murder of homosexuals, a left-wing Mayor of London embracing a man who said Adolf Hitler had been sent by Allah to punish the Jews, and a group set up ostensibly to oppose fascism warmly welcoming religious fascists into its own ranks (James Bloodworth: Why the Left is so blinkered to Islamic Extremism, INDEPENDENT 13th June 2013).

We even have this gem from George Galloway, a leading figure in Respect.

Socialism and Islam are very close, other than on the existence of God (George Galloway, SUNDAY TIMES, 14th of August 2005)

Lest we forget, George Galloway famously paid tribute to Saddam Hussein's “*strength, courage and indefatigability*” (*I'm Not the Only One*, London: Penguin, 2004, p. 106f)

Are Socialism and Islam close? Does Islam subscribe to the common ownership and democratic control of the means of production and distribution by all of society? Does Islam campaign for men and women to be free without discrimination on grounds of sex and ethnicity? Of course not, any more than the nationalist Palestinian struggle against Israel is a positive material force in the class struggle to establish socialism.

What is the “socialism” of George Galloway anyway? It is either a menu of social reforms or the establishment of state capitalism. Socialism it is not.

Defenders of Islam claim it is opposed to capitalism. Isis, for example, is supposed to have a feudal outlook but it embraces capitalism in its oil production, its use of social media produces slick propaganda which would not go amiss in the mainstream advertising industry and it buys hi-tech weaponry and satellite communication systems. Theocratic capitalism hides itself behind the black mask of the knife-wielding fanatic.

As for wealthy individuals in the Middle East who invest their capital into western businesses and property, they owe their unearned wealth and privilege to the exploitation of the working class. Workers and the rich in Palestine do not have a shared class interest, neither do they in Pakistan or Iran. While Islamic nationalism is just as poisonous as any other form of capitalism and a theocracy just as oppressive as a secular state.

Political Opportunism

There is also the political opportunism of the Labour Party. Ed Miliband recently announced to Muslim News (29th April 2015) that a future Labour government would make “*Islamophobia*” a criminal offence on a par with other “*hate crimes*”. No doubt he had in mind ending the freedom to insult Mohammed, to laugh at political Islamists and to ridicule the obscurantist belief system of Islam itself.

Buying votes is par for the course in capitalist politics but to promise state censorship to silence those wanting to deride Islam in exchange for Muslim votes is a new low in the politics of political opportunism associated with this anti-socialist political party.

Ed Miliband’s thought police would no doubt have stopped the sale of a satirical magazine like Charlie Hebdo, imprisoned the cartoonists, shut the magazine down; in short done all the Islamic terrorists’ work for them.

Committed to the Leninist view that revolutionary change is impossible while some nations are dominated by others, the capitalist left support political Islam if it inflicts damage against US and Israel interests.

Such a view is incompatible with the ideas of Marx and Engels and has nothing to do with the class struggle and the need for a majority of workers to organise consciously and politically to establish socialism.

Resisting the Politics of Islam

The fear of being labelled islamophobic has to be resisted as socialists are under no obligation to be respectful towards Islam any more than we are towards any other religion. We have no intention of being forced into mute self-censorship by religious leaders any more than we have of being forced to take a vow of silence by the self-appointed leaders of the capitalist left.

Self-censorship is a form of political cowardice; letting the political bully get into your mind to tell you what to say and write and what not to say and write, and ultimately, what you may even think. Self-censorship is dismissed for what it is; mental coercion. Socialists stand in line for no one. We refuse our consent.

Islam, in its belief system, is based on the flawed theological doctrine of creationism and an intelligent designer. This explains its hostility towards Darwinian science. And Islam is also hostile to the writings of Marx and Engels and socialism in particular for putting forward centre stage class, class interest and class struggle.

Anti-Marxist pamphlets, for example, are freely available on the streets of Istanbul although it would be a brave Marxist to sell socialist literature there particularly when a central tenet of Marx was “...*to liberate the conscience from the spectre of religion*” (CRITIQUE OF THE GOTH A PROGRAMME, p. 32, Progress Publishers).

Islam is a religion of social control. The secular blogger, Raif Badawi, is still under sentence of 1,000 lashes in a Saudi prison where he is considered as a threat to the total obedience required by subjects to the Wahhabi sect that runs Saudi Arabia and exports its pernicious ideas and beliefs to the rest of the world.

Islam also controls women through the imposition of the cult of modesty. This craven female deference to the male is totally at odds with socialist principle but uncritically accepted or ignored by the capitalist left for its own anti-socialist political ends.

Islam is like other religions of the book in preserving the historic patriarchal form of the family, where women are simply chattels, the property of the male head of the household – a subordination which was typical of the ancient nomadic lifestyle of the biblical patriarchs of the Old Testament and the desert tribal system informed by the Quran. This culture can still be found in the traditional forms of Judaism, Islam and in the more conservative branches of Christianity, particularly the American Bible belt with its anti-scientific world-view and fundamentalist interpretation of the bible.

The position socialists take regarding religion is a materialist one. The materialist conception of history allows us to understand both how and why social systems like capitalism generate and sustain ideas as well as the role ideas play in the class struggle to either prevent or encourage social revolution. In this respect religious ideas and beliefs are wholly negative.

A materialist understanding of both the natural and social world in which we live gives us a clear understanding that all religion is reactionary and unscientific. The only material force for revolutionary change is the working class taking conscious political action to establish socialism without leaders; political or religious.

FUTURE WARS?

Capitalism is a global system of class exploitation but it is also a global system of conflict and war.

It now seems likely that the US will increase its naval operation in the South China Seas as a response to China's increasing domination of the region which is not only a strategic sea route, the second busiest in the world, but contains valuable raw resources.

The South China Sea is the subject of numerous rival territorial claims with China, Brunei, Malaysia, the Philippines, Taiwan and Vietnam disputing sovereignty of several islands and nearby strategic waters

The area in dispute includes fertile fishing grounds and potentially rich reserves of undersea natural resources like oil and gas.

So why has the US become involved? First, strategically it wants the freedom of navigation particularly to naval ports in the Philippines and other countries. And second, it wants to form alliances with China's rivals for the disputed areas where rich reserves of oil and gas are located.

In response to US naval involvement in the region it is currently building artificial islands around the Spratly Islands, a contested zone with countries like Vietnam and the Philippines. These artificial islands are to be used for military and strategic purposes threatening adjacent countries. In response to the US military presence in the South China Seas the Chinese have said that a future war is becoming increasingly likely.

Or not, if the world's working class begin to think in their own interest, realise that they have no country to die for and instead take conscious and political action so that the resources of the planet can be used by everyone and not to enrich a minority class of parasites whether they be in China, the US or Vietnam.

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Chinese Capitalism, Robotics & Unemployment

In CAPITAL, Marx introduces the concept of the “*industrial reserve army of the unemployed*” (Chapter XXV). The concept follows on from his study of technological change in industry where machinery is introduced and labour withdrawn to increase productivity. Capital accumulation, therefore, creates unemployment as fewer workers are required once machinery has been installed. At the same time smaller capitalist units which cannot keep up with technological change go bankrupt creating a further temporary increase in the industrial reserve army.

Marx assumed that many of the displaced workers would be re-employed again, either through re-training or entering new areas of economic production. However, the important point in the introduction of new machinery is not only to increase productivity but to add workers to the pool of unemployed workers as a downward pressure on wages generally and improve profitability.

What of the relevance today of Marx's theory of technological change. We can assess his theory by looking at contemporary events in Chinese capitalism.

Al Jazeera recently published an article looking at the introduction of robotics with the loss of hundreds of thousands of jobs (*Robotic revolution rocks Chinese textile workers*, 16th June 2015).

The article looked at a textile factory in Changshu, China where young workers worked with machinery where only a generation ago, their parents made clothes by hand, stitching and sewing.

The owner of the textile factory, Mr Wang Yanzhu, following the economic crises of 2008, not only faced competition from Vietnam and Bangladesh, but he also faced rising labour costs. The Chinese government assisted his business by granting subsidies to buy new technology, and in particular robotic systems useful in the production of textiles. The introduction of robotic technology in production will not only mean the loss of workers at this particular factory but, according to the article:

Hundreds of thousands of unskilled workers toiling in factories in the southeast of the country will likely be adversely affected

Charlotte Middlehurst, who interviewed the textile factory owner, said that she was told that his new digital printer, which prints 30-metre lengths of cloth in one minute, took four years to develop at a cost of \$500,000. The introduction of this machinery reduced the workload of eight people down to three, and will pay back the cost of investment in about eight months. The article also reported that:

In Guangdong, a province on the South China Sea coast, the government plans to invest the equivalent of about \$154bn to introduce robotics in manufacturing production. Guangzhou, the capital of the province, has set a goal to automate 80 percent of its manufacturing production by 2020.

And the article went on to say:

Further north in Zhejiang province - one of China's largest textile hubs - the government has invested about \$3.9bn in 661 technology-upgrade projects, of which \$2.4bn is earmarked for the textile sector, according to state media. In Lanxi city, a pilot scheme was launched requiring 70 local textile enterprises to carry out mechanical upgrades by the end of the year, which is expected to save about \$69m per year in efficiency and labour costs.

Plans to launch similar programmes in Jiangsu and areas of the Pearl River Delta are also being considered. China wants to have the same robotics capacity in industry and manufacturing as Germany; one of the leaders in the field.

Robotics; Who Benefits?

In 2013, China overtook Japan and South Korea to become the world's largest robotics market per capita. The industry is now worth about \$9.5bn. According to the *Al Jazeera* article:

Wang employed 5,000 to 6,000 workers at the peak of operations making \$113-\$129m in sales per year. He calculated machine upgrades could generate \$161m in one year with only 200 to 300 workers - roughly 20 times more productivity per capita.

The employer admitted that the introduction of robotics and displacement of workers was all about profit. He said:

From the perspective of a company, per capita productivity is the priority. The less labour, the higher productivity. Employment or unemployment is not the priority.

It is the capitalist class in China, and elsewhere, who gain by greater productivity and profit. And profit is the name of the game under capitalism not in meeting human need.

What about the workers?

It is one of the contradictions of capitalism that capital both attracts labour power to create surplus value, but also discards workers in the pursuit of profit. Capitalism has no interest in full employment and no interest in the working class unless they are profitably employed.

What about the workers? Marx was quite clear what capitalism does to the working class:

...within the capitalist system all methods for raising the social productiveness of labour are brought about at the cost of the individual labour; all means for the development of production transform themselves into means of domination over, and exploitation of, the producers; they mutilate the labourer into a fragment of a man, destroy every remnant of charm in his work and turn it into hated toil; they estrange from him the intellectual potentialities of the labour-process in the same proportion as science is incorporated in it as an independent power; they distort the conditions under which he works, subject him during the labour-process to a despotism the more hateful for its meanness; they transform his life-time into working time, and drag his wife and child beneath the wheels of the Juggernaut of capital...It follows therefore, that, in proportion as capital accumulates, the lot of the labourer, be his payment high or low, must grow worse...It established an accumulation of misery, corresponding with the accumulation of capital (Capital, Ch. XXV, p. 645).

So, what can workers do about being a mere “appendage to the machine”? Surely machinery should benefit society as a whole rather than the owners of capital?

Under capitalism a worker's time is controlled. A worker is directed to produce for markets not directly for social use. Workers are hired and fired; they are dispensable when unprofitable. Work is allocated and it is usually dull and repetitive. The life workers lead under capitalism is not the way they could live in socialism. The use of voluntary and creative social labour along with machines, robotics and artificial intelligence is currently held back from directly meeting peoples' needs by the anti-social demands of profit making and capital accumulation. That is the problem which needs a socialist solution.

In itself the introduction of machinery to reduce working time to a minimum should be a social good to allow people to fully take part in the affairs of society and to release their creative potential and flourish as human beings. However we do not live in a socialist society. Machinery is used as an aid to class exploitation not to allow workers more freedom, more time and more joy and pleasure.

For all his faults, William Morris put into perspective the social use of machinery under capitalism. In his lecture; *Useless Work versus Useless Toil*, Morris stated:

...our epoch has invented machines which would have appeared wild dreams to the men of past ages, and of those machines we have yet made no use.

Morris went on to say that under capitalism “labour saving” machines are not used to relieve labour but to displace labour, to make work monotonous and dull. For Morris, the dehumanisation and alienation of the workers in employed labour would not be the case in a socialist society:

In a true society these miracles of ingenuity would be for the first time used for minimising the amount of time spent in unattractive labour, which by their means might be so reduced as to be but a very light burden on the individual (Political Writings of William Morris, introduction and edited by A. L. Morton, 1984 p, 106)

It is no use looking to the government. The Chinese government in its subsidy programme were only interested in employers not workers. The subsidies for the expansion of robotics in production will result in workers losing their jobs; but that is capitalism. Capitalism is all about increasing productivity, making greater profits and enabling capitalists to compete better on the world market. Capitalism is not about giving workers employment unless it is profitable. Governments, whether Chinese or British, look after the interests of the capitalist class not the working class.

The problem facing workers is not the lack of effectiveness of trade unions and trade union action, although trade unions are useful in the economic field of the class struggle when trade conditions allow. The problem for the working class is that capitalism does not supply the working class with a level playing field. It is always tilted in favour of the capitalist class. The problem, the political problem, is that the means of production and distribution are privately owned by the capitalist class, in China, Vietnam, South Korea and elsewhere in the world. And they are protected by the machinery of government including the armed forces.

Workers are denied the ability to use production to meet human need and the forces of the state prevent people taking what they need to live worthwhile lives. A world working class confronts, with diametrically opposite interests, the world capitalist class over the political issue of production and distribution; what is produced and distributed, why and for whom. The political problem can only be resolved through the political class struggle where a conscious and political socialist majority can replace world capitalism with world socialism. To politically grow up and to think and act in its own interest has to be faced by the working class. However, it is better than remaining fragmented human beings, whose work is degrading, boring and often dangerous ...”*an accumulation of misery*”.

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End Austerity by Abolishing Capitalism

In June of this year, another demonstration was organised in London and in other cities by the People’s Assembly against Austerity campaigning against cuts in public services. Tens of thousands of people attended the march from The City, an apparent symbol of capitalism, to Parliament Square.

The same political leaders and celebrities addressed the audience offering the same empty political rhetoric. There was no mention of capitalism only condemnation by each speaker of the evil Tories, greedy bankers and the corporate tax-dodgers. There was no call for the abolition of the profit system and its replacement with socialism. Class analysis was missing from the speeches. There was no talk of class interest, class struggle and class solidarity.

The capitalist left –The SWP, The Socialist Party and Counterfire – all tried to dominate the march by parasitically feeding off the despair, anger and frustration of those attending but with little success. And for a very good reason; they cannot offer workers anything but slogans and marches - “*Get The Tories Out!*” was a typical facile slogan as was the call for a “*General strike*” and “*Strike, March and Occupy*”. The capitalist left promotes rage rather than clear political thinking. Theirs’s is the politics of failure. History has passed Trotskyism by and Leninism is as dead a belief system as the Divine Right of Kings. Workers do not need leaders. Workers should think and act for themselves.

There was predictable misinformation and half-truths. There were calls to stop privatisation as though state capitalism or nationalisation is any better. There were calls to reverse the cuts as though cutting public services was something the Tories engaged in rather than all governments including previous Labour ones. And there were calls to tax the rich as though the enactment of this policy would stop class exploitation.

The only way to get rid of austerity and provide high quality health care, education, social services and housing is to first get rid of capitalism. Yet the false message from the speakers to the marchers was that you could have capitalism with “*fairness*”; the profit system with “*equitable distribution and first-classy services for everyone*”. The demonstrators were misleadingly told that an alternative to the Tory cuts existed within the frame work of capitalism but it doesn’t.

All capitalist political parties, including Caroline Lucas’s Green Party exist to serve the interests of British capitalism and the capitalist class. After all, this is exactly what the Greens did in Brighton until they were booted out of power in the Local authority elections, particularly over the issue of the refuse collectors’ strike. And the Greens in Germany, where they carried greater political weight, were all for capitalism as long as it was “*environmentally sound*”. The Greens offer no revolutionary alternative to capitalism.

What of Labour's token "*voice of conscience*", Jeremy Corbyn and his promise of social reforms to counter austerity? All social reforms to end poverty, war and unemployment are futile because they do not get to the root of the problem.

Social reforms enacted one minute can be withdrawn the next. After all, one of the first cuts to the NHS was made by a Labour Government so it could afford the Korean War. Many of the social reforms enacted just cannot touch the social problems they were originally intended to resolve. Some social reforms even make the situation worse and have unintended consequences not known to their authors.

The issue is not what governments do and not do but the fact that a minority capitalist class monopolise and own the means of production and distribution to the exclusion of the majority. And this issue is wholly political. The working class are the wealth creators and need neither capitalism nor the capitalist class to organise and run society in its own interest. Getting rid of the capitalist class and their profit system gets rid of austerity, poverty, exploitation and war. Nothing less will do. Only the establishment of the common ownership and democratic control of the means of production and distribution by all of society will end the exploitation, the hardship and the poverty caused by capitalism. The Anti-Austerity demonstration, like previous demonstrations before it, will achieve nothing. There will be no fundamental change to the position of the working class unless workers become socialists.

The only political action that will achieve real results is the formation and growth of a socialist movement. That is what the capitalist class and its political agents; Tory, Labour, Green and Liberal Democrat fear. They fear socialists and they fear socialism. So to end austerity and poverty means ending capitalism lock, stock and barrel. It means the abolition of the wages system instead of the endless marches, demonstrations and lectures from the usual suspects up on the podium.

Our message to the demonstrators and workers generally is simple; become socialists. Join fellow socialists in the struggle to end capitalism. Only through a principled socialist party can a socialist majority make a successful socialist revolution and replace production for profit with production for social use.

(This article is an expanded version of a leaflet produced for the anti-austerity demonstration in London on 20th June 2015)

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Object and Declaration of Principles

Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

Declaration of Principles

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (ie land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.

3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into common property of society of the means of production and distribution, and their democratic control by the whole people.

4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.

5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

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email: enquiries@socialiststudies.org.uk | www.socialiststudies.org.uk